

SENATE BILL REPORT

SB 5967

As of January 17, 2018

Title: An act relating to Washington state's 529 college savings plans.

Brief Description: Concerning Washington state's 529 college savings programs.

Sponsors: Senators Wilson and Palumbo.

Brief History:

Committee Activity: Higher Education & Workforce Development: 1/16/18.

Brief Summary of Bill

- Repeals the Guaranteed Education Tuition (GET) legislative advisory committee and adds citizen and legislative membership to the committee on advanced tuition payment and college savings.

SENATE COMMITTEE ON HIGHER EDUCATION & WORKFORCE DEVELOPMENT

Staff: Alicia Kinne-Clawson (786-7407)

Background: The GET Program is Washington's 529 prepaid college tuition plan that was established in 1998. As a prepaid tuition program, GET has a participant payout structure tied to in-state tuition rather than market-based investment returns. Historically, 100 GET units have equaled one year of resident undergraduate tuition and state-mandated fees at the state's highest-priced public university. GET accounts can be used at nearly any public or private college in the country. Families can buy between 1 and 500 units per child, and the account benefits from tax-free growth and withdrawals.

The GET Program is administered by the GET Committee. The GET Committee is comprised of the state treasurer, the director of the Office of Financial Management, the executive director of the Student Achievement Council, and two citizen members. At the Legislature's direction, the GET Committee has maintained the \$117.82 unit payout value for the 2015-16 and 2016-17 academic years. The committee also voted to delay new program enrollments and new unit purchases effective July 1, 2015, for a period of two years or less.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Current statute required the GET Committee to reopen the GET Program to new enrollments on July 1, 2017.

Summary of Bill: The GET legislative advisory committee is repealed and the committee on advanced tuition payment and college savings membership is revised to include:

- the state treasurer or the state treasurer's designee;
- the director of financial management or the director's designee;
- the director of the student achievement council or the director's designee;
- one member from each of the caucuses in the House of Representatives with at least one member from the Appropriations Committee and one member from the Higher Education Committee;
- one member from each of the caucuses in the Senate with at least one member from the Ways and Means Committee and one member from the Higher Education & Workforce Development Committee; and
- two citizen members appointed by the Governor for four-year terms;

The committee must appoint a chair and vice chair. The chair and vice chair must not represent the same political party or chamber.

Appropriation: None.

Fiscal Note: Not requested.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.

Persons Signed In To Testify But Not Testifying: No one.